



State of Utah
School & Institutional
Trust Lands Administration

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Gary R. Herbert
Governor

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David Ure
Director

February 8, 2017

MEMORANDUM

TO: Roger Bankert, Minerals Branch Chief
Bureau of Land Management, Utah State Office
440 West 200 South, Suite 500
Salt Lake City, UT 84101

FROM: Andy Bedingfield

SUBJECT: Annual Report of Coal Tonnage Status on 1998 Exchange Tracts

In accordance with paragraph IC.3.c of the *Memorandum of Understanding* I am reporting to BLM the cumulative coal tonnage produced (i.e. mined and sold) as of December 31, 2016, from the following 1998-Utah Schools and Federal Land Exchange Act (PL105-335) coal tracts.

TRACT NAME	SITLA LEASE #	SITLA TONS OWNED	CUMULATIVE SITLA TONS PRODUCED
Mill Fork	ML 48258	22.3 Million	22.3 Million (Reverted 7/12)
Combined Dugout Canyon/Muddy		34 Million	26,313,,296.04
(Dugout Canyon	ML 48435		12,421,137.04, Mined Out)
(Muddy	ML 49443		13,892,159.00)
North Horn	Unleased	100,000,000	-0-

Cottonwood Tract: The Utah School and Institutional Trust Lands ("SITLA") own a rental/royalty value rather than a fixed coal tonnage in the Cottonwood coal tract. An 8,203.87 acre parcel of the coal tract was leased at the beginning of 2008 under mineral lease number ML 51191-OBA. The lease is not yet in production, but is paying annual rental and annual minimum royalty. The remaining net total Dollar value owned by SITLA in the Cottonwood coal tract as of December 31, 2016, was \$17,364,300.64 (i.e., principal plus accumulated interest, reduced by 50% of annual rental and minimum royalty payments.) The payment due date of the lease is January 18, each year, at which time the balance on the SITLA account may be further reduced.

Please contact me at (801) 538-5158 if you have any questions in this matter.